

North Shore – LIJ Health System, Inc.

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| POLICY TITLE: Conflict of Interest and Recusal | ADMINISTRATIVE POLICY AND PROCEDURE MANUAL |
| POLICY #: 800.03 | Section: Corporate Compliance |
| Approval Date: 9/22/11 | DEPARTMENT: Office of Corporate Compliance |
| Effective Date: November 1999 | Last Revised/Reviewed: June 8, 2010 April, 2011 |
| Prepared by: Office Of Corporate Compliance | Superseded Policy(s)/#: n/a |

GENERAL STATEMENT of PURPOSE

It is the policy of the North Shore-LIJ Health System, Inc. (“Health System”) to conduct business free from the influence of Conflicts of Interest, which is critical to the Health System’s commitment to ethical business dealings. This policy sets forth the process for avoiding potential Conflicts of Interest by ensuring that any individual with a possible Conflict of Interest recuses him/herself from participation in any actions related to the transaction or matter where a conflict may exist.

All questions as to whether a possible Conflict of Interest may exist shall be addressed to the Chief Corporate Compliance Officer or his/her designee.

POLICY

Consistent with the Health System’s Code of Ethical Conduct, Associated Individuals are expected to perform their duties and responsibilities free from the influence of Conflicts of Interest and devote their professional loyalty, time and energy to applicable teaching, research, patient care and service on behalf of the Health System. Associated Individuals shall not accept any position at a healthcare institution that is in substantial competition with the Health System without the approval of the Chief Corporate Compliance Officer, or his/her designee except as described below.

A practitioner who wishes to obtain staff privileges at a healthcare institution that is in substantial competition with the Health System does not need the approval of the Chief Corporate Compliance Officer. Also, non-employed practitioners that intend to enter into a contract with the competing healthcare institution, or accept a governance or management position at that institution do not need the approval of the Chief Corporate Compliance Officer unless the non-employed practitioner

serves on a Health System committee or has another type of leadership position.

Where appropriate, the Chief Corporate Compliance Officer will seek the input of the Health System's Chief Executive Officer, Medical Leadership or its Board of Trustees on the matter.

Associated Individuals shall not be involved with the selection of any vendor or contractor which is a Related Business Interest nor be involved in Health System decisions which might benefit the Associated Individual, his/her Family members or a Related Business Interest. If an Associated Individual believes that he/she may have a possible Conflict of Interest in connection with a proposed transaction or other matter being presented for consideration or approval by the Health System, such Individual shall follow the process outlined below.

SCOPE

This policy applies to all members of the North Shore – LIJ Health System workforce including, but not limited to, employees, medical staff, volunteers, students, physician office staff, and other persons performing work for or at North Shore – LIJ Health System.

DEFINITIONS

Associated Individuals: All individuals employed by or otherwise associated with the Health System including, but not limited to, trustees, officers, employees, agents, medical staff, licensed independent practitioners and students.

Conflict of Interest: A possible conflict may exist if an Associated Individual is in a position to influence the business or other decisions of the Health System in a manner that could lead, or appear to lead, to the personal gain or advantage of the Individual, his or her Family members, or a Related Business Interest.

Family: The Family of an Associated Individual is broadly defined and includes: husband or wife; natural or adoptive parent, child or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and any other person if that person resides in the same household as the Associated Individual.

Related Business Interest: Any person, organization or business entity may be considered as a Related Business Interest to an Associated Individual if such Individual or any member of his/her Family: (1) is a director, officer, employee, member, partner or trustee of such Related Business Interest; or (2) has a financial interest in such Related Business Interest, which includes any ownership, investment, income or similar right or interest which could benefit the Associated Individual or a Family member.

PROCEDURE/GUIDELINES

CONFLICT OF INTEREST DISCLOSURE AND REVIEW PROCESS

Disclosure of Conflict of Interest

Any Associated Individual who becomes aware that he/she has an actual or potential Conflict of Interest must promptly disclose this to the Chief Corporate Compliance Officer of his/her designee, who will review the disclosed Conflict of Interest and take any action(s) deemed required or appropriate to manage or resolve the matter.

Disclosure Report and Review of Disclosures

Certain Associated Individuals designated by the Office of Corporate Compliance are required to complete a Conflicts of Interest Disclosure Report upon beginning their employment or other Health System affiliation and on a regular basis thereafter. Trustees and certain Associated Individuals also are required to complete any additional disclosure forms related to the Internal Revenue Service Form 990, Centers for Medicare and Medicaid Services (“CMS”) enrollment requirements, and research regulations.

Between filings of any Conflicts of Interest Disclosure Report these individuals must immediately report to the Chief Corporate Compliance Officer, or his/her designee, any changes in the information provided in his/her last completed Conflicts of Interest Disclosure Report.

The Chief Corporate Compliance Officer, or his/her designee, will review all disclosures of possible conflicts, including matters disclosed in the Conflicts of Interest Disclosure Reports and any reported changes to those Reports. The Chief Corporate Compliance Officer, or his/her designee, will take all actions deemed required or appropriate to manage or resolve any actual or potential Conflicts of Interest. In appropriate cases these disclosures and responsive actions will be reported to the Health System’s Board of Trustees Audit and Corporate Compliance Committee. The Audit and Corporate Compliance Committee may determine whether additional actions shall be considered or implemented to eliminate the Conflict of Interest or the inappropriate competition with the Health System.

The Office of Procurement and other relevant departments, as appropriate, will review their relationships with other care providers, educational institutions, manufacturers and payers periodically to determine whether Conflicts of Interest exist and whether they are within law and regulation. Such review shall be documented.

Recusal

After disclosing a possible Conflict of Interest and unless otherwise expressly approved by the Chief Corporate Compliance Officer, or his/her designee, and/or the Conflicts of Interest in Research Committee if related to the conduct of a research study, an Associated Individual

shall immediately recuse him/herself from participating in the transaction or matter and not be privy to any non-public information relating to the transaction. Any Associated Individual who has knowledge of a possible Conflict of Interest involving another Associated Individual shall identify the Conflict of Interest and notify the Chief Corporate Compliance Officer.

The recusal of any Associated Individual shall be documented in the respective minutes of any applicable committee and/or noted in the file of the Individual's supervisor.

Any questions about this Policy or the completion of the Disclosure Reports may be directed to the Office of Corporate Compliance at (516) 465-8097.

Referral-related Activities

Any Associated Individual who intends to enter into any arrangement that could potentially generate referrals to the Health System must have the arrangement approved by the Chief Corporate Compliance Officer prior to entering into it.

Related Issues

Associated Individuals shall neither use nor disclose Health System assets or confidential information for non-Health System purposes unless they do so in conformance with the Health System's Electronic Communications Systems (e-mail, computers, Internet, etc.) policies.

Any Associated Individual who is engaged in or is proposing to engage in research activities is subject to the Conflict of Interest in Research Policy (#GR065).

In addition, any Associated Individual must comply with any applicable governmental agency requirements and regulations to avoid a Conflict of Interest.

Policies, procedures and information about the relationship between care, treatment, and services and financial incentives are available upon request to all Health System patients, and those individuals who work in the Health System, including staff and all licensed independent practitioners.

REFERENCES to REGULATIONS and/or OTHER RELATED POLICIES

- Health System Policy #800.04, Gifts and Interactions with Industry
- Joint Commission Standard LD 04.02.01
- CMS Medicare Enrollment Form 855A
- IRS Form 990 and Accompanying Regulations

CLINICAL REFERENCES

| APPROVAL: To Include Committee Name / Approval Date | |
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| System P&P Committee | 4/12/11; 9/13/11 |
| System PICG Committee | 4/28/11; 9/22/11 |